

Retirement Scheme

Salary Reduction Provisions

The value of your benefits in the Retirement Scheme is directly related to your salary. Any reduction in salary may result in a reduction in entitlements. Under the rules for Retirement Scheme, where your salary is reduced, you may be able to avoid a reduction in your benefit entitlements by applying to the trustee to either retain your higher salary or crystallise your benefit.

Retention of higher salary

In some circumstances, you may be able to retain your previous higher salary for Retirement Scheme benefit purposes.

When does it apply?

Generally, approval for retaining the use of the higher salary may be given where the salary reduction is due to your ill health or to other 'special' circumstances. You will not be entitled to retain your higher salary where the reduction in salary is due to disciplinary reasons.

How to apply?

You can make an application by applying to the trustee and providing supporting documentation for the reasons for the reduction in your salary. We will then contact your employer to confirm the reasons for your salary reduction.

How will this affect contributions?

Your contribution amount will continue to be payable based on the higher salary. This will continue until your actual salary exceeds the previous higher retained salary level.

Crystallisation

If you experience a single attributed salary¹ reduction of 20% or more you may be eligible to apply to crystallise your benefit. If your application is approved, you may be able to protect the benefits accrued on your previous (higher) salary by exiting the Retirement Scheme without leaving your current employer and using the higher salary to calculate your benefit.

Crystallisation separates the period of membership prior to the salary reduction from the period after the salary reduction. This helps ensure that the salary reduction doesn't unreasonably impact on the overall benefit that you may receive.

How to apply?

You will be required to make an application through your employer, as your employer must certify the salary reduction.

Is there a time limit to apply?

Generally, you should apply for crystallisation within two months after your salary is reduced. In some circumstances, you can apply to the trustee for approval of a late election.

Accruing super after Crystallisation

You can elect to either rejoin the Retirement Scheme and contribute for benefits in the Retirement Scheme based on your new salary, or you can join EISS Super. If you do not make an election you will automatically become a member of EISS Super.

When is a crystallised benefit payable?

All benefits are payable upon ceasing employment or upon death. In accordance with the rules for the Retirement Scheme, a cash termination benefit is available to any member who ceases employment due to resignation, dismissal or discharge before the Retirement Scheme's retirement age. Any preserved component can only be paid when a condition of release under superannuation law is met.

Seek professional advice

Our financial planners provide advice over the phone, at our offices or at a location near you.



To book an appointment, please call **1300 369 901** or visit eisuper.com.au/appointment.

¹ Salary as a full-time worker or, if part-time, the salary equivalent if working in the same job full-time.

We're here to help

 1300 369 901

 eisuper.com.au

 GPO Box 7039, Sydney NSW 2001

Energy Industries Superannuation Scheme Pty Limited ABN 72 077 947 285, RSE Licensee L0001373 and AFS Licence 441877 as trustee for Energy Industries Superannuation Scheme Pool A ABN 22 277 243 559, RSE R1004861 and Pool B ABN 64 322 090 181, RSE R1004878, and trading as EISS Super and EISS Financial Planning. This information is current as at the date of issue, of a general nature only and has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information or making an investment decision about whether to acquire, hold or sell a financial product, you should consider its appropriateness having regard to your financial objectives, situation and needs and read the relevant Product Disclosure Statement, available at eisuper.com.au/pds or by contacting us on 1300 369 901. 1075.7 01/10/18 ISS6